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The Director of Central Intelligence

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*Memo
Churo*

19 June 1984

MEMORANDUM FOR: The President
 The Vice President
 Secretary of State
 Secretary of Defense
 Assistant to the President for
 National Security Affairs
 Chairman, Joint Chiefs of Staff

SUBJECT: US/Soviet Tension

1. I attach here a rather stunning array of indicators of an increasing aggressiveness in Soviet policy and activities. These include developments in the media, civil defense sector, security operations, political harassment, logistical steps, the economy, intelligence preparations and political activity.

2. The depth and breadth of these activities demand increased and continual review to assess whether they are in preparation for a crisis or merely to embarrass or politically influence events in the United States.

3. In the light of the increasing number and accelerating tempo of developments of this type, we will shortly begin to produce a biweekly strategic warning report which will monitor and assess the implications of these incidents which we report on as they occur, but have not, thus far, pulled together in any systematic way.

State Dept. review completed

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William J. Casey

DIA review completed.

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U.S./Soviet Tension

The recent SNIE [REDACTED] examined a range of Soviet political and military activities that are influenced by Soviet perceptions or a mounting challenge from U.S. foreign and defense policy. Each Soviet action could be sufficiently explained by its own military or political purpose consistent with developing military readiness or a "get-tough" policy to counter the current U.S. stance.

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This summary will consider some longer term events that may cause some reflections about the kinds of actions the Soviets could orchestrate that would create a political embarrassment for the U.S. in the wake of deployment of INF in Europe. We believe the Soviets have concluded that the danger of war is greater than it was before the INF decision; that Soviet vulnerability is greater and will grow with additional INF emplacements and that the reduced warning time inherent in Pershing II has lowered Soviet confidence in their ability to warn of sudden attack. These perceptions, perhaps driven by a building U.S. defense budget, new initiatives in continental defense, improvements in force readiness, and a potentially massive space defense program may be propelling the USSR to take national readiness measures at a deliberate pace. There is a certain consistency and coherence in the symptoms of measures being taken that suggests central decisionmaking. Some of "civilian to wartime-type" of activity suggest a broad-based plan. These activities may all be prudent precautions in a period of anxiety and uncertainty on the part of the Soviets. Some of the measures we perceive follow.

A. Media

Soviet media have portrayed the environment as dangerous to the domestic populace. The risks involved have been recognized in that in December 1983, the Soviets carefully modulated the tone to allay what appeared to be brewing hysteria. A message has been that the present state of U.S.-Soviet relations is comparable to those between Nazi Germany and the USSR prior to WWII and that the Soviets will not be surprised again.

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C. Security Procedures

--Leningrad has become a closed city to Western attaches. U.S., UK, French and Canadian attaches in Moscow have been denied travel to Leningrad on numerous occasions in 1984. The Soviets prevented attache travel by international visas from Helsinki to Leningrad to Helsinki in May 1984. Their willingness to ignore the international portion of that trip to prevent attache travel indicates high-interest activity in the Leningrad area and/or a critical time-frame.

--In May 1984, valid visas for 58 Americans planning tour travel of USSR were cancelled. Apparently, the decision was made by the Soviet Ministry of Foreign Affairs in Moscow. The trip included a flight from Naples to Leningrad and it appears that those with defense security clearances were denied visas.

--According to the DAO Moscow, there has been an important change in the "political atmospherics" surrounding attache operations. [REDACTED]

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[REDACTED] The publication of an article in Red Star, 25 May 1984, against U.S. Naval Attaches suggests the Soviet campaign will be generalized and expanded.

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--The Czechoslovak Ministry of Foreign Affairs reportedly issued a directive in late 1983 that officials abroad should terminate contact with U.S. British and West German officials.

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--In June 1984, for the first time since 1972 a portion of the City of Potsdam was included in a TRA.

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--The Soviets continue to declare multiple TRA's in addition to the PRAs.

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--Three recent incidents occurred in Poland where army and security personnel detained NATO attaches and then forced them to drive through a military restricted area for posed photography. In each case, the attaches were detained on public roads in an apparently well-planned effort at intimidation.

--In the Soviet Union, Pravda articles in June called for greater vigilance of Westerners and Soviet dissenters. Other reporting indicates that harrassment of Western reporters has increased. Soviet border guards are conducting more intensive searches of Western visitors.

[redacted] there has been a steady increase in civilian companies apparently enforcing discipline and improving "piece rates." The greater presence of guards and security people at defense-related production plants is also reported.

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D. Political Harrassment

--On 20 February 1984, the Soviets imposed new restrictions on Allied flights in the three corridors linking Berling to West Germany. Basically, altitude restrictions apply to the entire length of the corridors, rather than the central portions as had been the practice. New traffic-identification demands have also been made and met by the Allies.

--On 22 March 1984, an East German military vehicle rammed a French MLM vehicle killing the driver and injuring two others.

--On 18 April 1984, the Soviets briefly detained an eight-vehicle French Army convoy at an Autobahn Checkpoint.

--On 2 May 1984, a U.S. military train bound for Berlin was delayed by East German railroad officials.

--On 16 May, East Germans refused to pull a French military train to Berlin until the French protested to the Soviet Embassy.

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--On 8 June, the U.S. Consul General in Leningrad was called to a Soviet review of the assault on Ronald Harms on 17 April accusing the press coverage of being an exaggerated claim in a U.S. Government anti-Soviet campaign.

E. Logistics

The 1983 study of Soviet railroads concluded that the industry must improve its performance. The need for attention to the railroads is beyond question, but the new campaign which features early completion of the BALCOM line adds a sense of urgency to transportation improvements.

F. The Economy

--There has been a significant reduction in production of commercial aircraft in favor of military transport production since about June 1982. DIA studies show commercial aircraft production down 14 percent in 1983. Not only are traditional Soviet aircraft customers not adding new aircraft of Soviet make to their fleets, but the Soviets are buying back civil aircraft from Eastern European airlines. The increased allocation of resources for military aircraft production is supported by DIA production data.

--Other changes under way in selected segments of the economy point toward shifts to military needs. The termination of military support to the harvest, by directive of March 1984, may say that the success of the harvest is less important than the maintenance of military capabilities at high readiness. Such a decision is consistent with a leadership perception that danger is present, but inconsistent with the alleged priority of the food program and stated Soviet concerns about internal security problems owing to shortages and consumer dissatisfaction.

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--The increases in production are complemented by developments in the factors of production, especially labor and management. These have been subjected to one of the most strenuous and long-lasting campaigns to improve performance and expand output ever undertaken by Soviet authorities.

--At the same time, there has been a cutback in Soviet support for the East European economies, Soviet demands for better quality products from them, and higher prices for Soviet exports. These trends became evident in the fall of 1980 during the Polish crisis and have persisted. Although there are many sound reasons for the trends, they complement those already mentioned.

--Rationing of key products may be affecting commercial interests. State-owned trucking companies in Czechoslovakia are reported operating far below capacity due to insufficient fuel rations allotted as of 1 January 1984.

--In Poland, Jaruzelski apparently has formally agreed with the USSR to give up civilian production capacity to supply the Soviets with more military hardware.

--In a Magdeburg, East Germany metal processing cooperative, there are resource allocation shortages and increased target plans for 1984. While the imbalance could be blamed on poor management, the situation was exacerbated by a new bank law that prevents using state financial reserves since 1 January 1984.

G. Military Activity

--In June, DAO Moscow reported that rail movement in support of Soviet troop rotation, although with a slightly reduced volume, was continuing. (This extension also occurred during the last two rotation periods.) Extending the rotation seems to conflict with other Soviet efforts to minimize the impact of rotation, and the flow of personnel over three months would seem to disrupt programmed training.

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I. Political Activity

--In external relations, Soviet activity has been intense. A series of relatively low-level harrassments concerning Berlin air corridors and ground access to Berlin fall into this category and have the potential to become more escalatory. The Soviets have recently cancelled a long-standing commercial accord with the U.S. The level of official harrassment of Western attaches is high throughout the Warsaw Pact, even including a shooting incident in Bulgaria. New travel restrictions have been placed on Western diplomats in the USSR.

--A message of dissatisfaction in U.S.-Soviet relations is clear, but more than the message the Soviets may actually be paying costs--surrendering commercial contacts and their own freedom of access. Activity resembles a calculated and careful withdrawal on multiple fronts; a limitation of exposure and vulnerability.

J. Military Behavior

The behavior of the armed forces is perhaps the most disturbing. From the operational deployment of submarines to the termination of harvest support to the delayed troop rotation there is a central theme of not being strategically vulnerable, even if it means taking some risks. It is important to distinguish in this category those acts which are political blustering and those which may be, but also carry large costs. The point of blustering is to do something that makes the opponent pay

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high costs while the blusterer pays none or little. The military behaviors we have observed involve high military costs in terms of vulnerability of resources for the sake of improved national military power, or enhanced readiness at the price of consumer discontent, or enhanced readiness at the price of troop dissatisfaction. None of these are trivial costs, adding thereby a dimension of genuineness to the Soviet expressions of concern that is often not reflected in intelligence issuances.